Notice of Allowability	Application No.	Applicant(s)	
	10/799,205	WAELBROECK ET AL.	
	Examiner	Art Unit	
	BRUCE I. EBERSMAN	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to *applicant attorney interview of 9/9/11*.

2. ☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

3. ☒ The allowed claim(s) is/are *1,3-5, and 24-35*.

4. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
   a) ☐ All b) ☐ Some* c) ☐ None of the:
      1. ☐ Certified copies of the priority documents have been received.
      2. ☐ Certified copies of the priority documents have been received in Application No. _____ .
      3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

   * Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.
THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

5. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.

6. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
   (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
      1) ☐ hereto or 2) ☐ to Paper No./Mail Date _____.
   (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.

   Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).

7. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. ☒ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
3. ☒ Information Disclosure Statements (PTO/SB/08), Paper No./Mail Date 6/28/11
4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
5. ☐ Notice of Informal Patent Application
6. ☒ Interview Summary (PTO-413), Paper No./Mail Date *9/9/11* .
7. ☒ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☒ Other *bib data sheet, EIC search*.

EXAMINER'S AMENDMENT

1. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Attorney Steven Underwood on 9/23/11.

Please amend the claims as follows;

1. (Currently amended) A method for facilitating trading of securities over a computer system, comprising the steps of:

electronically receiving market data including prices for a security;

calculating with a first processor a reference price for said security based at least partially on said market data;

electronically storing said reference price in a computer readable medium;

electronically receiving a first order regarding said security from a first user, wherein said first order is a sell order that comprises a first price limit and a first quantity limit;

electronically storing said first order in a computer readable medium;

electronically receiving a second order regarding said security from a second user, wherein said second order is a buy order that is contra to said first order and comprises a second price limit that is less than said reference price and a second quantity limit;

electronically storing said second order in a computer readable medium;

<u>comparing price aggression of said first order and said second order to said reference price;</u> and

executing with a second processor a trade comprising said first order and said second order at a trade execution price different from said reference price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price and is based on said comparing price aggression of said first order and said second order to said reference price,

wherein said first and second processors may be the same processor.

2. (Canceled).

3. (Original) A method as in claim 1, wherein said second user is allowed to increase price aggression only after the expiration of a predetermined period of time.

4. (Original) A method as in claim 1, wherein said reference price is based on recent market prices.

5. (Currently amended) A method as in claim 1, further comprising displaying said reference price to one or more remotely located users by means of a graphic user interface.

6-13. (Canceled).

24. (Currently amended) A method for facilitating trading of securities over a computer system, comprising the steps of:

electronically receiving market data including prices for a security;

calculating with a first processor a reference price for said security based at least partially on said market data;

electronically storing said reference price in a computer readable medium;

electronically receiving a first order regarding said security from a first user, wherein said first order is a sell order that comprises a first price limit that is greater than said reference price and a first quantity limit;

electronically storing said first order in a computer readable medium;

electronically receiving a second order regarding said security from a second user, wherein said second order is a buy order that is contra to said first order and comprises a second price limit and a second quantity limit;

electronically storing said second order in a computer readable medium;

comparing price aggression of said first order and said second order to said reference price; and

executing with a second processor a trade comprising said first order and said second order at a trade execution price that is different from said reference price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price and is based on said comparing price aggression of said first order and said second order to said reference price,

wherein said first and second processors may be the same processor.

25. (Currently amended) A method for facilitating trading of securities over a computer system, comprising the steps of:

electronically receiving market data including prices for a security;

calculating with a first processor a reference price for said security based at least partially on said market data;

electronically storing said reference price in a computer readable medium;

electronically receiving a first order regarding said security from a first user, wherein said first order is a buy order that comprises a first price limit that is less than said reference price and a first quantity limit;

electronically storing said first order in a computer readable medium;

electronically receiving a second order regarding said security from a second user, wherein said second order is a sell order that is contra to said first order and comprises a second price limit and a second quantity limit;

electronically storing said second order in a computer readable medium;

comparing price aggression of said first order and said second order to said reference price, and

executing with a second processor a trade comprising said first order and said second order at a trade execution price that is different from said reference price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price and is based on said comparing price aggression of said first order and said second order to said reference price,

wherein said first and second processors may be the same processor.

26. (Currently amended) A method for facilitating trading of securities over a computer system, comprising the steps of:

electronically receiving market data including prices for a security;

calculating with a first processor a reference price for said security based at least partially on said market data;

electronically storing said reference price in a computer readable medium;

electronically receiving a first order regarding said security from a first user, wherein said first order is a buy order that comprises a first price limit and a first quantity limit;

electronically storing said first order in a computer readable medium;

electronically receiving a second order regarding said security from a second user, wherein said second order is a sell order that is contra to said first order and comprises a second price limit that is greater than said reference price, and a second quantity limit;

electronically storing said second order in a computer readable medium;

comparing price aggression of said first order and said second order to said reference price, and

executing with a second processor a trade comprising said first order and said second order at a trade execution price different from said reference price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price and is based on said comparing price aggression of said first order and said second order to said reference price,

wherein said first and second processors may be the same processor.

27. (New) A method as in claim 24, wherein said second user is allowed to increase price aggression only after the expiration of a predetermined period of time.

28. (New) A method as in claim 24, wherein said reference price is based on recent market prices.

29. (New) A method as in claim 24, further comprising displaying said reference price to one or more remotely located users by means of a graphic user interface.

30. (New) A method as in claim 25, wherein said second user is allowed to increase price aggression only after the expiration of a predetermined period of time.

31. (New) A method as in claim 25, wherein said reference price is based on recent market prices.

32. (New) A method as in claim 25, further comprising displaying said reference price to one or more remotely located users by means of a graphic user interface.

33. (New) A method as in claim 26, wherein said second user is allowed to increase price aggression only after the expiration of a predetermined period of time.

34. (New) A method as in claim 26, wherein said reference price is based on recent market prices.

35. (New) A method as in claim 26, further comprising displaying said reference price to one or more remotely located users by means of a graphic user interface.

Reasons for Allowance

2. The following is an examiner's statement of reasons for allowance:

Applicant has invented method of executing a trade such that the trade execution price is different from a reference price, a process which a system can reward traders for bidding aggressively in an anonymous trading forum where two limit orders are crossed at a mutually acceptable price which is different from the reference price, ie a proxy for the market price.

In the words of claim 1 for example;

"comparing price aggression of said first order and said second order to said reference price; and

executing with a second processor a trade comprising said first order and said second order at a trade execution price different from said reference price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price and is based on said comparing price aggression of said first order and said second order to said reference price,"

The most relevant patent literature is;

US Patent 7162447 to Cushing

US Patent Publication 20030093343 to Huttenlocher

US patent Publication 20020184136 to Cleary

The Most relevant non patent literature is;

“The Journal of Portfolio Management, Structural Changes in Trading Stocks" by Bartley J. Madden, 1993.

Volatility and Liquidity in futures markets by Peter R. Locke and Asani Sakar, Federal Reserve Bank Of NY, Research Paper 9612, 1996

A Taxonomy of automated Trade Execution systems by Ian Domowitz, Journal of International Money and Finance, 1993, 12, pp. 607-631

Discussion of the Prior Art;

The most relevant patent literature;

US Patent 7162447 to Cushing discloses the ability to utilize a batch auction to discover an optimal price for financial assets. Cushing further teaches the concept of reference pricing.

US Patent Publication 20030093343 to Huttenlocher teaches a parasitic pricing method where pricing can be conducted mid market based on the current market.

US patent Publication 2002/0184136 to Cleary discloses the ability to matched orders at the midpoint of the NBBO range.

The Most relevant non patent literature is;

“The Journal of Portfolio Management, Structural Changes in Trading Stocks" teaches the ability to support anonymous trading between parties, for large blocks where notifications are made to customers of a contra order.

Volatility and Liquidity in futures markets by Peter R. Locke and Asani Sakar, teaches an academic paper regarding the efficiency of executed orders in various exchanges.

A Taxonomy of automated Trade Execution systems by Ian Domowitz, teaches various trade execution rules and pricing so as to transact securities electronically in an

automated and consistent manner. Best price and priority of orders are generally the most common.

However, the prior art and NPL do not explicitly disclose;

comparing price aggression of said first order and said second order to said reference price; and

executing with a second processor a trade comprising said first order and said second order at a trade execution price different from said reference price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price and is based on said comparing price aggression of said first order and said second order to said reference price,

Namely, the process is conducted "wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price,"

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to BRUCE I. EBERSMAN whose telephone number is (571)270-3442. The examiner can normally be reached on 7am-530 pm, Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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